



Control Number: 57421



Item Number: 23

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PUBLIC UTILITY COMMISSION
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OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM

MEETING DATE: May 15, 2025

DATE DELIVERED: May 14, 2025

AGENDA ITEM NO.: 15

CAPTION: Docket No. 57421 – Petition of Deborah Jackson, Michael Kohlenberg, and Patricia Kohlenberg to Amend Springs Hill Water Supply Corporation’s Certificate of Convenience and Necessity in Guadalupe County by Streamlined Expedited Release

DESCRIPTION: Chairman Thomas Gleeson Memorandum

Public Utility Commission of Texas

Commissioner Memorandum

TO: Commissioner Kathleen Jackson
Commissioner Courtney K. Hjaltman

FROM: Chairman Thomas Gleeson *TC with permission DP*

DATE: May 14, 2025

RE: May 15, 2025 Open Meeting – Items Nos. 13, 15, and 16
Docket No. 57306 – Petition of Michael Kohlenberg, Patricia Kohlenberg, Meredith Leigh Urban Hartl, Deborah Jackson, and Travis Baker to Amend Springs Hill Water Supply Corporation's Certificate of Convenience and Necessity in Guadalupe County by Streamlined Expedited Release.
Docket No. 57421 – Petition of Deborah Jackson, Michael Kohlenberg, and Patricia Kohlenberg to Amend Spring Hills Water Supply Corporation's Certificate of Convenience and Necessity in Guadalupe County by Streamlined Expedited Release.
Docket No. 57424 – Petition of Bruce Harborth, Jeffrey Harborth, and Vicki Hartwick, Trustees of the Irma Randow Trust, to Amend Springs Hill Water Supply Corporation's Certificate of Convenience and Necessity in Guadalupe County by Streamlined Expedited Release.

In each of these three dockets, the petitioners are seeking streamlined expedited release from Certificate of Convenience and Necessity number 10666. I would grant all three petitions and approve the proposed orders but with the modifications and clarifications discussed below. Specifically, I recommend modifying the orders in these dockets to recognize that Springs Hill Special Utility District (SUD) is the CCN holder. In addition, I would like to provide clarification in response to Commission Staff's exceptions in Docket No. 57424 related to mapping.

Springs Hill Special Utility District

Under Special District Local Laws Code § 7208.0153, if the creation of Springs Hill SUD is confirmed through an election under section 7208.0152, Springs Hills Water Supply Corporation “shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district.” Following the transfer, CCN number 10666 “is considered to be held by the district,” and the board of directors shall notify the Commission of the CCN transfer. Subsection (c) specifies that on receipt of such notice, the Commission “shall note in its records that [CCN number] 10666 is held by the district and shall reissue the certificate in the name of the district without further application, notice, or hearing.”

In all three of these proceedings, Springs Hill SUD filed a notice of appearance stating that an election under Special District Local Laws Code § 7208.0152 was held on May 4, 2024; the transfer from the corporation to the SUD had occurred; and that the SUD had submitted a letter to

the Commission's Central Records that notified the Commission of the transfer.¹ In addition, in all three proceedings, Springs Hill SUD filed an affidavit of Michael Andrews, the SUD's general manager, attesting to the transfer in accordance with Special District Local Laws Code § 7208.0153.²

Commission Staff recommends that Springs Hill SUD's filings satisfy the statutory requirement for the district to provide notice of the transfer to the Commission.³ I agree. Springs Hill SUD has filed a pleading as well as an affidavit stating that the transfer has occurred. Therefore, I recommend that the Commission (1) modify its records to reflect that Springs Hill SUD holds CCN number 10666 and (2) issue certificates in each of these dockets reflecting that Springs Hill SUD is now the holder of CCN number 10666.

Findings of Fact

2. Springs Hill Special Utility District (SUD) was created by the 88th Texas Legislature through House Bill 5303, effective September 1, 2023, which was codified as chapter 7208 of the Special District Local Laws Code. ~~WSC is a Texas nonprofit corporation registered with the Texas secretary of state under filing number 23474501.~~
3. Springs Hill Water Supply Corporation transferred all of its assets, debts, and contractual rights and obligations to Springs Hill SUD.
4. Through a notice of appearance and the affidavit of Michael Andrews filed in this proceeding, Springs Hill Water Supply Corporation provided notice to the Commission of the transfer from Springs Hill Water Supply Corporation to Springs Hill SUD.
53. Springs Hill ~~SUD~~WSC holds CCN number 10666 that obligates it to provide retail water service in its certificated service area in Guadalupe County.⁴

⁴ ~~Springs Hill Special Utility District (Springs Hill SUD) was created by the 88th Legislature of the State of Texas through House Bill 5303, effective September 1, 2023 (codified in Chapter 7208 of the Special District Local Laws Code). Springs Hill SUD's creation was confirmed by an election held on May 4, 2024. Pursuant to Special District Local Laws Code § 7208.0153(a) and a vote by its membership, Springs Hill WSC then transferred all of its assets, debts, and contractual rights and obligations to Springs Hill SUD. According to Special District Local Laws Code § 7208.0153(b), following such transfer from Springs Hill WSC to Springs Hill SUD,~~

¹ Docket No. 57306, Request to Restyle Docket and Notice of Appearance of Counsel (Jan. 29, 2025); Docket No. 57421, Request to Restyle Docket and Notice of Appearance of Counsel (Jan. 29, 2025); Docket No. 57424, Request to Restyle Docket and Notice of Appearance of Counsel (Jan. 29, 2025).

² Docket No. 57306, Springs Hill SUD's Response to Petition, Exhibit A at 1 (Feb. 12, 2025); Docket No. 57421, Springs Hill SUD's Response to Petition, Exhibit A at 1 (Feb. 20, 2025); Docket No. 57424, Springs Hill SUD's Response to Petition, Exhibit A at 1 (Mar. 10, 2025).

³ Docket No. 57306, Commission Staff's Exceptions to the Proposed Order at 2 (Apr. 3, 2025); Docket No. 57421, Commission Staff's Exceptions to the Proposed Order at 2 (Apr. 3, 2025); Docket No. 57424, Commission Staff's Exceptions to the Proposed Order at 2 (Apr. 30, 2025).

~~“Certificate of Convenience and Necessity No. 10666 is considered to be held by the district.”~~
However, the Commission's records have not yet been updated to reflect this change.

Conclusions of Law

- X. Springs Hill SUD provided the Commission with notice of the transfer of CCN number 10666 in accordance with Special District Local Laws Code § 7208.0153(b)(3)(B).
- X. On receipt of notice under Special District Local Laws Code § 7208.0153(b)(3)(B), the Commission is required to note in its records that CCN number 10666 is held by the district and is required to reissue the certificate in the name of Springs Hill SUD without further application, notice, or hearing.

Ordering Paragraph

- X. Within 30 days of the date of this Order, the Commission's water CCN records must be updated to reflect that Springs Hill SUD holds CCN number 10666.

In accordance with these changes, I would also change the style of each docket to reflect that the petition seeks to amend Springs Hill SUD's CCN by streamlined expedited release.

Mapping Clarification

In Docket No. 57424, Commission Staff originally filed a map that depicted not only the area to be decertified in that docket but also the areas to be decertified in Docket Nos. 57306 and 57421.⁴ The Commission administrative law judge subsequently required Commission Staff to file a revised map that depicted only the area to be decertified in Docket No. 57424.⁵ A similar situation occurred in Docket No. 57421.⁶ Commission Staff states that the required revisions to the maps “conflict[] with prior Commission practice and create[] unnecessary inefficiencies in Staff's processing of dockets in similar situations.”⁷ Commission Staff cites examples of dockets that were approved at the same open meeting and therefore that each had maps reflecting the relief granted in the other docket.⁸

I understand both Docket Management's and Commission Staff's positions. As a practical matter, I understand that Commission Staff generates maps in the order in which dockets are processed. However, from a legal perspective, it is also important that the Commission not approve a map showing CCN modifications that the Commission has not approved—and potentially may not approve.

⁴ Docket No. 57424, Commission Staff's Recommendation on Final Disposition and on Qualifying County (Mar. 31, 2025)

⁵ Docket No. 57424, Order No. 5 (Apr. 11, 2025).

⁶ Docket No. 57421, Commission Staff's Request to Restyle the Docket and Recommendation on Final Disposition (Mar. 18, 2025); *id.*, Order No. 7 (Mar. 20, 2025).

⁷ Docket No. 57424, Commission Staff's Exceptions to the Proposed Order at 4 (Apr. 30, 2025).

⁸ Docket No. 57424, Commission Staff's Exceptions to the Proposed Order at 4–5.

Commission Staff offered in the future to “identify the corresponding dockets and dates in which the final maps for each docket have been created and formally request that the ALJs and the Commission either approve CCN mapping changes in the order in which Staff has processed and created the final maps or at least approve CCN mapping changes for each corresponding docket simultaneously.”⁹ I support Commission Staff’s effort to promote efficiency. Administrative law judges should then coordinate with Commission Advising to ensure that dockets are placed on open meetings in a sequence that comports with the mapping. However, administrative law judges should also exercise their discretion to require alternative mapping when there are concerns about dockets being processed on different timelines—particularly concerns related to statutory deadlines.

To address the dockets currently before us, assuming that the Commission approves all three dockets at the May 15, 2025 open meeting, I would approve the map filed on March 14, 2025, in Docket No. 57306; the map filed on March 31, 2025, in Docket No. 57424; and the map filed on March 18, 2025 in Docket No. 57421.

Attached Maps and Certificates

For convenience, I have attached copies of the maps and certificates that would be approved if the Commission adopts the positions laid out in this memo. The maps and certificates have been modified, as needed, to reflect that Springs Hill SUD holds CCN number 10666.

I look forward to discussing these matters with you at the open meeting.

⁹ Docket No. 57424, Commission Staff’s Exceptions to the Proposed Order at 6.